

ABSTRACT

This research is related to Decision Usefulness by users of financial statements in the public sector, especially local governments which are still multifaced. Users living in a cultural environment provide evidence on the use of regional financial statements. This research was conducted in the context of the Central Java Provincial Government as one of the provinces located on the island of Java which is one of the places of interaction of various kinds of Javanese culture. This research seeks to reveal in more depth how users in the Central Java Provincial Government interpret decision usefulness on the financial statements of the Central Java Provincial Government. This research also seeks to uncover how the biographic interaction of Javanese culture from users when making decisions on financial information.

This study uses the interpretive paradigm of phenomenology. The data was sourced from in-depth interviews with 13 informants and documents relating to the utilization of financial statements such as regulations, minutes, and speeches. Data analysis uses interpretive Phenomenology Analysis (IPA) techniques and models developed by Jonathan Smith (1996). This study uses the Interactional Symbolic Theory model by Herbert Blummer (1962) and the New Institutional Theory as a theoretical lens in the abductive process of categorization and construction of research results.

The results showed that there are two important things in the decision usefulness process by internal users and external users of financial statements. First, the term accounting becomes easy for users to understand by using javanese language and culture symbols. The appearance of the symbols kualat, rembug, waspodo, los dol, temonjo and guyon is an indication of users using financial statements. The second is that local government financial statements are used by users, especially related to relevant values. Relevant values that users use for confirmation and predictive. These two findings explain the framework of the quality characteristics of accounting information to be important for users in decision making. These findings also contradict the findings of previous studies that explain the non-usefulness of government financial statements by users..

Keywords: Decision usefulness, local government, Value relevant, Javanese culture